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U.S. BANKRUPTCY COURT
DISTRICT OF MARYLAND
GREENBELT

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division

In re:

Mattress Discounters Corporation and
T.J.B., Inc.,

Debtors.

Chapter 11

Case No. 02-22330 (DK)

(Jointly Administered)

ORDER FOR COMPLEX CHAPTER 11 BANKRUPTCY CASES

These bankruptcy cases were filed on October 23, 2002. A Request for Designation as Complex Chapter 11 Cases was filed. After review of the initial pleadings filed in these cases, the Court concludes that these appear to be a Complex Chapter 11 Cases and issue this scheduling order, subject to rescission, revision, or modification as provided below.

- I. **Service List and Limitation on Service:** The Debtors shall maintain a service list ("Service List"), identifying the parties that must be served whenever a motion or other pleading requires notice. Upon establishment of such a list, notices of motions and other matters will be limited to the parties on the Service List.
 - a. The Service List shall initially include the Debtors, Debtors' counsel, counsel for the Unsecured Creditors' Committee, U.S. Trustee, all secured creditors, any indenture trustee, and any party that requests notice ("Initial Service List") and any party whose rights are directly affected by the pleading;
 - b. Any party in interest that wishes to receive notice, other than as listed on the Initial Service List, shall be added to the Service List by request filed in the cases and served on the Debtors and Debtors' counsel;
 - c. Parties on the Service List are encouraged to provide a fax number or e-mail address for service, and parties are encouraged to authorize service by fax or e-mail; consent to fax or e-mail service may be included in the party's notice of appearance and request for service; notwithstanding consent to e-mail service, "hard copy" shall be served by fax, regular mail, or over-night mail.
 - d. The Initial Service List shall be filed within three (3) days after entry of this Order. The Debtors shall update the Service List, and shall file in the cases a copy of the updated Service List as least every thirty (30) days thereafter.

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2. In light of the Debtors' court approved retention of Bankruptcy Services LLC, the requirements of Local Bankruptcy Rule 9013-4(b) are modified to permit the filing of a certificate of service by Bankruptcy Services, LLC within three days of the date Bankruptcy Services LLC makes service of a pleading, notice or other paper in lieu of the certificate of service being placed at the end of the item served.
3. Parties are encouraged to authorize opposing parties to serve them by fax or e-mail to facilitate notice of emergency and expedited hearings. If provided, it must be used.
4. **Case Captions:** Complex cases usually involve hundreds of motions. To facilitate motion tracking by the Clerk, each answer, reply, objection, and order filed or provided by a party in these cases should contain, in its title or first paragraph, a reference to the docket number of the pleadings to which it responds. EXAMPLE:

Response by XYZ Bank to Debtors' Motion For Use of Cash Collateral.

[This pleading responds to Docket # _____]

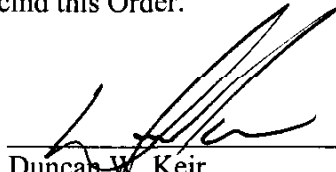
5. **Administrative Fee Procedure:** After notice and a hearing, the court may enter an administrative order establishing procedures for interim compensation and reimbursement of professionals (**Form CCP-4**). The form may be modified as the circumstances of these cases require.
6. **Cash Collateral and Financing Orders:**
 - a. **Motions.** Except as provided herein, all cash collateral and financing requests under 11 U.S.C. §§ 363 and 364 shall be heard by motion filed pursuant to Federal Bankruptcy Rule 2002, 4001 and 9014 ("Financing Motion").
 - i. **Provisions to be Highlighted.** All Financing Motions (1) recite whether the proposed form of order and/or underlying cash collateral stipulation or loan agreement contains any provision of the type indicated below, (2) identify the location of any such provision in the proposed form of order, cash collateral stipulation and/or loan agreement, and (3) the justification for the inclusion of such provision.
 - (A) Provisions that grant cross-collateralization protection (other than replacement liens or other adequate protection) to the prepetition secured creditors (i.e., clauses that secure prepetition debt by postpetition assets in which the secured creditor would not otherwise have a security interest by virtue of its prepetition security agreement or applicable law).
 - (B) Provisions or findings of fact that bind the estate or all parties in interest with respect to the validity, perfection or amount of the secured creditor's prepetition lien or debt or the waiver of claims

against the secured creditor without first giving parties-in-interest at least 75 days from the entry of the order and the unsecured creditors' committee, if formed, at least 60 days from the date of its formation, to investigate such matters.

- (C) Provisions that seek to waive, without notice, whatever rights the estate may have under 11 U.S.C. § 506(c).
 - (D) Provisions that grant immediately to the prepetition secured creditor liens on the Debtors' claims and causes of action arising under 11 U.S.C. §§ 544, 545, 547, 548 and 549.
 - (E) Provisions that deem prepetition secured debt to be post-petition debt or that use post-petition loans from a prepetition secured creditor to pay part or all of that secured creditor's prepetition debt, other than as provided in 11 U.S.C. § 552(b).
 - (F) Provisions that provide disparate treatment for the professionals retained by the unsecured creditors' committee from that provided for the professionals retained by the Debtors with respect to a professional fee carve out.
 - (G) Provisions that prime any secured lien, without the consent of that lienor.
- ii. All Financing Motions shall also provide a summary of the essential terms of the proposed use of cash collateral and/or financing (e.g., the maximum borrowing available on a final basis, the interim borrowing limit, borrowing conditions, interest rate, maturity, events of default, use of funds limitations, and protection afforded under 11 U.S.C. §§ 363 and 364).
- b. Interim Relief. When Financing Motions are filed with the Court on or shortly after the date of the entry of the order for relief, the Court may grant interim relief pending review by the interested parties of the proposed debtor in possession financing arrangements. Such interim relief is intended to avoid immediate and irreparable harm to the estate pending a final hearing. In the absence of extraordinary circumstances, the Court shall not approve interim financing orders that include any of the provisions previously identified in subsection (a)(i)(A) through (a)(i)(G) of this Rule.
- c. Final Orders. A final order shall be entered only after notice and a hearing pursuant to Federal Bankruptcy 4001 and Local Bankruptcy Rule 2002-1(b). Ordinarily, the final hearing shall be held at least ten (10) days following the organizational meeting of the unsecured creditors' committee contemplated by 11 U.S.C. § 1102.

7. **Bridge Orders Not Required in Certain Circumstances:** If a motion to extend the time to take an action is filed before the deadline for such action that is set by 11 U.S.C., the Federal Rules of Bankruptcy Procedure or the Local Bankruptcy Rules, the deadline shall automatically be extended until the Court acts on the motion, except for a motion to extend the time to assume or reject an unexpired lease of nonresidential real property under 11 U.S.C. § 365(d)(4).
8. **Exception to Local Counsel Requirement:**
- a. Local Bankruptcy Rule 9010-3 is modified in these cases so that an attorney who is not a member of the Bar of the United States District Court for the District of Maryland need not be admitted pro hac vice in order to:
 - i. File a response to an objection to a proof of claim;
 - ii. Participate telephonically in a hearing during the 60-day period after the Petition Date, with permission of the courtroom deputy. However, no permission will be granted if evidence is to be presented at such hearing, or
 - iii. File a responsive pleading within the 60-day period after the Petition Date.
 - b. An attorney must comply with Local Bankruptcy Rule 9010-3 to appear in person before this Court.
 - c. An attorney who is a member of the Bar of the United States District Court for the District of Maryland and who represents a party as co-counsel with an attorney who has been admitted pro hac vice (1) must sign all pleadings filed on behalf of her or his client, but (2) is not required to accompany pro hac vice counsel at hearings or other Court appearances after introducing pro hac vice counsel to the Court.
9. **Notice and Objections to this Order:** The Debtors shall give notice of this Order on the Court's internet site located with other matters in these cases. If at any time a party objects to the provisions of this Order, that party shall file a motion for appropriate relief, articulating the objection and the relief requested. After consideration of the motion and any responses, the Court may grant appropriate relief, if any is required. The Court may also, *sua sponte*, revise, modify, or rescind this Order.

Dated: November 22, 2002



Duncan W. Keir
United States Bankruptcy Judge

cc:	<p>Mattress Discounters Corporation 9822 Fallard Court Upper Marlboro, Maryland 20772</p> <p>Mark N. Polebaum, Esquire Hale & Dorr LLP 60 State Street Boston, MA 02109</p> <p>Mary Joanne Dowd, Esquire Arent Fox Kintner Plotkin & Kahn, PLLC 1050 Connecticut Avenue, NW Washington, DC 20036-5339</p> <p>Office of the U.S. Trustee 6305 Ivy Lane, Suite 600 Greenbelt, Maryland 20770</p> <p>Initial Service List</p>
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and it is further,
ORDERED, that Debtor's attorney shall serve a copy of this Order/Notice
upon all Creditors and Parties-In-Interest and file a Certificate of Service within
5 days of the date of entry of this Order. *entitled to service*